

## Message Text

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12

ACTION EA-14

INFO OCT-01 ARA-16 EUR-25 IO-13 ISO-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SPC-03 SS-15 USIA-15 ACDA-19 AGR-20 EB-11

COME-00 TRSE-00 OMB-01 DRC-01 AID-20 /212 W

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R 130605Z SEP 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1663

INFO AMEMBASSY BUENOS AIRES

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY ROME

USMISSION OECD PARIS

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PASS AGRICULTURE FOR HUME AND MEEKER

EO 11652: N/A

TAGS: EAGR, ETRD, EGEN, AS

SUBJ: WHEAT SALES ON CREDIT

REF: CANBERRA 4985

1. AT WEEKLY PRESS CONFERENCE SEPTEMBER 11 PRIME MINISTER WHITLAM MADE SURPRISE STATEMENT THAT GOA WOULD GIVE DEVELOPING COUNTRIES 12 MONTHS TERMS TO PAY FOR AUSTRALIAN WHEAT FOLLOWING DISCUSSION BY CABINET PREVIOUS DAY. PRIME MINISTER ALSO SAID IN EXCEPTIONAL CASES GOA MAY EXTEND TERMS BEYOND TWELVE MONTHS, AND IN THOSE CASES WOULD BEAR THE ADDITIONAL COST TO THE WHEAT INDUSTRY. VAGUE STATEMENT CAME AS COMPLETE SURPRISE BOTH TO WHEAT INDUSTRY AND AUSTRALIAN WHEAT BOARD, AND INITIALLY ITS MEANING WAS UNCLEAR.

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TRALIAN WHEAT BOARD, AND INITIALLY ITS MEANING WAS UNCLEAR.

MOST INTERPRETED STATEMENT TO MEAN THAT GOA WOULD PROVIDE FUNDS FOR CREDIT SALES, WHILE OTHERS BELIEVED GOA WOULD DIRECT WHEAT BOARD TO MAKE CREDIT SALES TO SPECIFIC COUNTRIES.

2. CLOSE QUESTIONING OF GOA OFFICIALS INDICATES THAT STATEMENT FOLLOWED CABINET SUBMISSION BY DPI MINISTER WRIEDT AND DOT MINISTER CAIRNS REGARDING GOA FINANCING OF CREDIT SALES AND COMPLETE EXPORT INSURANCE COVER UNDER EXPORT PAYMENTS INSURANCE CORPORATION. THIS WAS APPARENTLY NOT ACCEPTED, BUT CABINET CONCERNED ABOUT TENDENCY BY WHEAT BOARD TO MAXIMIZE CASH SALES THIS COMING SEASON. BELIEVED WHEAT SHOULD NOT ONLY GO TO WEALTHY COUNTRIES, AND ANY REDUCTION IN SALES TO DEVELOPING COUNTRIES WHO HAVE BEEN TRADITIONAL PURCHASERS WOULD NOT ONLY BE DISAPPOINTING TO THEM BUT INEQUITABLE. IT IS UNDERSTOOD CABINET AGREED TO GIVE FULL EPIC COVER (PREVIOUSLY ONLY PART COVERED) TO EXPORTS FOR CREDIT, BUT WHEAT BOARD WILL STILL HAVE TO FINANCE SALES OF 12 MONTHS TERMS OR LESS AND BEAR INTEREST COST. GOA WILL APPARENTLY BEAR INTEREST COSTS ON SALES OVER 12 MONTHS.

3. SALES FOR CREDIT WILL BE MADE AT RULING MARKET PRICE BY WHEAT BOARD, BUT INTERDEPARTMENTAL COMMITTEE SPECIALLY ESTABLISHED FOR THIS PURPOSE COMPRISING DPI, DOT, DFA, AND TREASURY WILL ASSESS CIRCUMSTANCES ON CASE BY CASE BASIS AND RECOMMEND ON THE VOLUME AND TERMS OF PAYMENT FOR ANY WHEAT TO BE OFFERED BY THE BOARD TO DEVELOPING COUNTRIES. ALTHOUGH GOA OFFICIALS DENY THAT ANY MINISTERIAL DIRECTION TO THE WHEAT BOARD IS INVOLVED, IT IS CLEAR THAT STRONG PRESSURE WOULD BE BROUGHT TO BEAR ON BOARD IF ANY DEVELOPING COUNTRY WERE NOT AFFORDED CREDIT. OBVIOUSLY, EGYPT IS A CASE IN POINT, WHEAT BOARD FEARFUL IT WILL RECEIVED NUMEROUS ENQUIRIES FROM INTENDING BUYERS, AND IS LIKELY TO DISCUSS POLICY STATEMENT FULLY AT NEXT BOARD MEETING SEPTEMBER 20.  
GREEN

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Reference:** CANBERRA 4985  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25-Oct-2001 by eisnerah>; APPROVED <06-Dec-2001 by golinofr>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WHEAT SALES ON CREDIT  
**TAGS:** EAGR, ETRD, EGEN, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005